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INITIAL FINANCIAL COMMITMENTS, FINANCIAL FLOWS AND ARRANGEMENTS TO GIVE EFFECT TO THE DECISIONS OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT FROM ALL AVAILABLE FUNDING SOURCES AND MECHANISMS, INCLUDING THOSE REFERRED TO IN PARAGRAPH 33.14 OF AGENDA 21

Initial financial commitments, financial flows and arrangements to give effect to the decisions of the United Nations Conference on Environment and Development from all available funding sources and mechanisms

Draft decision submitted by the Chairman

1. The Commission on Sustainable Development expresses its concern that the general response to the recommendations of the United Nations Conference on Environment and Development regarding funding falls significantly short of expectations.

2. While welcoming the initial commitments and pledges made by some countries, the Commission emphasizes that the lack of financial resources remains the major constraint for effective implementation of Agenda 21 and the phasing in of sustainable development. It stresses the urgent need for effective and early implementation of all commitments contained in chapter 33 of Agenda 21, including commitments related to the United Nations target of 0.7 per cent of gross national product for official development assistance. The Commission notes the absence of additional funding in the form of an "Earth Increment" in connection with the tenth replenishment of the International Development Association, and calls on the developed countries together with the World Bank to explore ways and means towards achieving that Increment.

3. The Commission emphasizes the importance of a supportive international and domestic economic climate conducive to sustained economic growth and development in order to achieve sustainability. The Commission highlights in this context

the importance of making further progress in areas such as debt relief, integration of the concept of sustainable development into structural adjustment, and improvement of trade and market conditions in particular for developing countries.

4. The Commission urges the Bretton Woods institutions, the regional banks and other institutions involved in the implementation of Agenda 21 to make greater progress in integrating the concept of sustainable development into their programmes and projects, and to make sustainable development an integral part of their decision-making process.

5. The Commission invites countries that provide a relevant information to finance and coordinating organizations such as the Development Assistance Committee of the Organisation for Economic Cooperation and Development to consider redesigning their data classification schemes so as to make it possible to assess the flow of development finance in relation to specific Agenda 21 clusters.

6. Recognizing that the Commission has been mandated to review the adequacy of the financial resources available for the implementation of Agenda 21, the Commission requests the Secretary-General to organize a consultative process involving all relevant parties at all stages to undertake the following tasks:

(a) To monitor and assess availability and requirements of financial resources for the implementation of different clusters of Agenda 21 taking into account the multi-year thematic programme of work of the Commission in order to assist further discussions in the Commission and provide a suitable and common basis for action by bilateral and multilateral funding organizations;

(b) To monitor various factors that determine the flow of financial and economic resources, such as debt relief, terms of trade, commodity prices and market access;

(c) To assist the Commission on the basis of the above in the development of the policy framework for the mobilization and allocation of financial resources towards the implementation of the various elements of Agenda 21.

The Commission requests the Secretary-General to undertake the above tasks in full consultation with the Bureau of the Commission.

7. In order to facilitate the tasks of financial monitoring, the Commission invites Governments to provide information related to financial aspects of implementing Agenda 21 in line with decision ## of the Commission on the guidelines to the Secretariat for organizing information provided by Governments on issues related to the implementation of Agenda 21. As regards the donor countries, the Commission suggests that elements of such information include official development assistance as a percentage of gross national product, debt relief, aid priorities, main funding arrangements related to sustainable development and specific support to environmental conventions.

8. The Commission further invites the World Bank and other international, regional and subregional financial and development institutions, including the Global Environment Facility, to submit regularly to the Commission reports

containing information on their experience, activities and plans to implement Agenda 22.

9. The Commission emphasizes the need for a timely replenishment and restructuring of the Global Environment Facility in accordance with paragraph 33.14 (a) (iii) of Agenda 21 and stresses the importance of:

(a) Improved transparency as well as a more open information policy in the Global Environment Facility for all interested parties;

(b) Funding activities designed to achieve global environmental benefits, taking into account environmental problems at the local and national levels;

(c) Regular reporting of the Global Environment Facility to the Commission on its activities in order to harmonize policy orientations towards the effective implementation of Agenda 21;

(d) According to non-governmental organizations of an improved consultative status.

10. Pursuant to reviewing other funding mechanisms referred to in chapter 33 of Agenda 21, the Commission also invites member States of the governing bodies of the agencies and programmes of the United Nations system dealing with issues of environment and development to ensure that the programme budgets of these institutions receive adequate financial support in order that they may implement the provisions of Agenda 21 relevant to their respective mandates.